



**City of Hartford  
Municipal Employees' Retirement Fund**

**SUMMARY OF PLAN PROVISIONS  
HARTFORD FIRE FIGHTERS ASSOCIATION (LOCAL 760, IAFF)**

*As of July 1, 2005*



# **City of Hartford Municipal Employees' Retirement Fund**

## **SUMMARY OF PLAN PROVISIONS HARTFORD FIRE FIGHTERS ASSOCIATION (LOCAL 760, IAFF)**

### **PLEASE NOTE:**

**The information in this booklet is intended to provide a summary of the more important features of the City of Hartford Municipal Employees' Retirement Fund (also referred to as the MERF, or simply as the "Retirement Plan" or "Plan").**

**This booklet is not a legal document and is not intended to give you complete details on all the Plan provisions or to confer any benefits on, to or for you, or your heirs, beneficiaries, successors, personal representatives or assigns.**

**Actual benefits and the terms and conditions governing them are set forth solely in applicable provisions of the Plan Documents which include applicable sections of the City's Charter, its Appendix, the Hartford Municipal Code, various statutory provisions and your group's collective bargaining agreement, if any. In the event any conflict exists between the Plan and this summary, the Plan Documents will control.**



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**Definitions**

This section defines several terms that are used throughout this *Summary of Plan Provisions*.

**Charter**

Charter of the City of Hartford

**City**

City of Hartford, Connecticut including the Hartford Public Library and all of the City's boards, commissions, agencies and authorities whose employees are eligible to participate in the MERF

**City Treasurer**

The duly and independently elected official who serves as both the City Treasurer and the Secretary of the Pension Commission

**CMERS**

Connecticut Municipal Employees Retirement System (CMERS), also known as "State MERF B"

**Member**

When capitalized, this term refers to any individual who has been enrolled in and is a participant of the MERF

**MERF**

City of Hartford Municipal Employees' Retirement Fund, also referred to as the "Plan"

**Municipal Code**

Municipal Code of the City of Hartford

**Pension  
Commission**

The Pension Commission is the body charged with administering the MERF pursuant to the Municipal Code and Charter of the City of Hartford.

**Pension  
Administration  
Unit**

The Pension Administration Unit operates under the direction of the Plan Administrator and provides the services necessary to administer the MERF on behalf of the Pension Commission.

<b>Plan</b>	City of Hartford Municipal Employees' Retirement Fund, also referred to as the "MERF"
<b>Plan Administrator</b>	The Plan Administrator is appointed by the Pension Commission and is responsible for the day-to-day administration of the Plan and the Pension Administration Unit on the Commission's behalf.
<b>Social Security Covered Earnings</b>	The amount of any earnings that are paid to you in any year on which you owe social security taxes. The Internal Revenue Service adjusts this amount each October for the coming calendar year.
<b>Union Affiliation</b>	Hartford Fire Fighters Association (Local 760, IAFF)



**Pension Service**

There are several different types of service that may affect your pension. Here is a brief description of each type of service.

**Aggregate Service**

The total of all of your periods of service with the City during (or for) which you made contributions as a member of the MERF. Aggregate Service does not include Purchased Service unless otherwise noted below.

**Break-in-Service**

Any absence, *without pay*, which lasts more than ninety (90) consecutive calendar days, will cause a "Break-in-Service," unless:

- ☐ you apply for, and are granted, a leave of absence, for whatever reason, by the City Council;
- ☐ the absence is caused by a disability that, in most cases, requires the regular attendance of a physician;
- ☐ You were receiving Statutory Workers Compensation benefits during the period of your absence; or
- ☐ your absence was due to service in the U.S. armed forces, or certain other uniformed services, and, after completing that service, you returned immediately to City employment.

**City Service**

Any period or periods of employment with the City during, or for, which you make contributions to the MERF.

**Continuous Service**

Any period or periods of City service during, or for, which you make contributions to the MERF which are not interrupted by a "Break-in-Service."

Continuous Service also may include certain types of Purchased Service, but only after certain requirements are met.

Continuous Service is the type of service that generally is used to determine your eligibility for benefits from the Plan.

**Credited Service**

The total of your Aggregate and Purchased Service.

With the exception of USERRA or periods when you were

receiving Statutory Workers' Compensation benefits, periods of absence of ninety-one (91) days or more are *not* included in Credited Service, even if such absences do not constitute a Break-in-Service (see definition above). Credited Service includes only those periods that you actually worked, and for which you made contributions to the MERF, or purchased. The only exceptions are for eligible USERRA service and periods while you are receiving Statutory Workers' Compensation benefits, which are included in Credited Service *even if they are more than 90 days*.

Credited Service is the type of service that is used to determine the amount of your benefits from the Plan.

### **Part-Time Service**

The Local 760 collective bargaining agreement provides that *"Part-time, seasonal and temporary employees are excluded from this agreement."*

The following exceptions are made for part-time service that you may have earned prior to becoming a member of Local 760:

- ❑ Periods of employment with the City, while you were in an "unclassified" position, when you worked less than a full-time schedule and during (or for) which you made contributions to the MERF *and*
- ❑ Certain periods of employment with the Library or Board of Education when you worked less than a full time schedule and during (or for) which you made contributions to the MERF

Part-Time service is included as both Aggregate and Credited Service on a pro-rata basis. Each year of Part-Time service is converted into full-time equivalent by using the following formula:

Number of hours actually worked

divided by

Number of regular hours that would normally be worked by an employee in an equivalent full-time position.

For example, if you work 20 hours a week and the normal full time schedule is 35 hours, your Part-Time Service would equal:

$$\frac{20}{35} = .57$$

You would be credited with .57 of a week of service rather than a full week.

**Purchased Service**

Certain types of Prior City and Non-City service may be added to the service otherwise included in your pension account under the conditions described below.

***General Restrictions:***

- ❑ Purchased Service will be credited only if that service by itself, or in combination with other service for which you receive pension credit, constitutes a “whole year of service”.
- ❑ No Purchased Service can, or will, be used to qualify you for a benefit by being included in your Continuous or Aggregate Service (unless otherwise noted below) until you have reached your Normal Retirement Age and have at least five (5) years of actual City Service.
- ❑ Application for the purchase or transfer of service to be used as Purchased Service must be made within the prescribed period defined in the Plan and full payment for the Service must be made to the Treasurer’s Office prior to your retirement in order for it to be included as Credited Service.
- ❑ If you are a participant in a Section 457 Deferred Compensation Plan, either through the City of Hartford, or another organization, you may be able to use all or a portion of your account in that plan to pay for your service purchase. The Plan Administrator will provide details upon request.
- ❑ Contributions for Purchased Service (other than those transferred from another retirement system or paid for Prior City Service) that cannot be used will be returned to you when you retire.
- ❑ Contributions for all Purchased Service (including those transferred from another retirement system or paid for

Prior City Service) will be returned to you if your employment terminates before you become eligible for a pension, or if you are eligible to elect a refund in lieu of a pension.

***Prior City Service:***

The Municipal Code and Charter allow re-employed prior MERF Members, who withdrew their MERF contributions when they left City employment, to repay the withdrawn contributions plus interest in order to receive pension credit for the service attributable to the withdrawn contributions.

Once the contributions are repaid, the Prior City Service will be included in your Aggregate and Credited Service. It will also be used to qualify you for retirement or vesting if it is considered to be part of your Continuous Service (refer to the definition of Break-in-Service earlier in this summary) or if you complete at least ten (10) years of Continuous Service following your reemployment.

*You must notify the Plan Administrator, in writing, of your intent to repay the withdrawn contributions prior to your intended retirement date and any repayment must be completed prior to your actual retirement date.*

***Prior City Service While a Member of CMERS:***

If you were a member of either Local 1716 (excluding the Evelyn Ball Chapter) or Local 566 during your employment with the City, your pension was provided by CMERS, the State retirement system. Once your membership in one of these unions ends and you become a member of the MERF, you may be eligible to transfer the service accrued under the CMERS plan to the MERF if:

- ☐ You did not withdraw the contributions you made to CMERS
- ☐ You are not currently receiving a retirement benefit from CMERS
- ☐ You authorize CMERS to transfer your CMERS pension contributions to the MERF, and the transfer is made, and
- ☐ You pay any difference in contributions between what you paid to CMERS and what you would have paid to

the MERF had you always been a member of the MERF.

Prior Service while a member of Locals 1716 or 566 will be used to qualify you for retirement and will be included in your Aggregate and Credited Service once the service transfer is completed.

*Once the Pension Administration Unit is notified of your change in classification, you will be sent a letter outlining your options with respect to transferring this service. This service transfer generally must be initiated upon your change in union affiliation.*

***Prior Service With the Federal Government, or any State or Political Subdivision:***

The Municipal Code and Charter allow Members under the age of sixty (60) who worked for one or more of the above-named entities and who participated in an actuarially sound pension plan sponsored by the entity, to transfer the Pension Service retirement credits earned with that plan to the MERF. Members who wish to transfer such credit can do so only if all of the following conditions are met:

- ❑ A reciprocity agreement exists between that plan and the MERF. Currently reciprocity agreements exist only with the State Tier I plan (contributory plan for employees hired by the State on or before July 1, 1984) and the Metropolitan District Commission;
- ❑ You did not withdraw the contributions you made to that plan
- ❑ You are not currently receiving a retirement benefit from that plan and do not retain any vested rights to a pension from that plan; and
- ❑ you make up any shortfall in the contributions required to pay the benefits associated with that service as determined by the Pension Commission.

Service transferred under this section cannot be used to qualify you for retirement. It will be included in both your Continuous and Aggregate Service once you have reached your Early or Normal Retirement Age and have at least five

(5) years of actual City Service and the transfer is completed.

*You must make your request to purchase this service within thirty (30) days of the date you become employed (or re-employed) by the City.*

***Qualified Non-City Service:***

Local 760 members are not eligible to purchase Qualified Non-City Service.

***Prior Military Service:***

The Municipal Code, Charter and your union contract allow Members to purchase up to four (4) years of pension service credit for time served on active duty in the U.S. Armed Forces during any of the periods set forth in Section 27-103 of the Connecticut General Statutes. A copy of this document is available in the Pension Administration Unit.

Military Service purchased under this provision cannot be used to qualify you for retirement. However, once you otherwise qualify for retirement, and subject to the General Restrictions noted earlier, purchased Military Service will be used to compute the amount of your pension at the earliest of the following, once full payment for the service is made:

- ☐ After ten (10) years of Continuous Service;
- ☐ After fifteen (15) years of Aggregate Service; or
- ☐ Upon retirement due to a service-connected disability.

*You should make your request to purchase your military service within one (1) year of completing your initial probation period. However, you can make the request and/or complete the purchase at any time prior to your retirement or termination of employment. There will be a 2% per year penalty if the purchase is not requested and completed within the first year following the end of your probationary period.*

***Service covered by the Federal Uniformed Services Employment and Reemployment Rights Act ("USERRA")***

USERRA, incorporated into the Municipal Code and

Charter, allows Members who leave the employment of the City in order to serve in any of the “uniformed services” of the United States the opportunity to purchase pension service credit for certain portions of that service if and when they are reemployed by the City.

For purposes of USERRA, service in the “uniformed services” includes service in any branch of the armed forces of the United States, the Air National Guard, the Army National Guard, the commissioned corps of the Public Health Service and any other category designated as such by the President of the United States in the time of war or emergency.

Employees who leave City service to serve in the U.S. armed forces, Red Cross or FBI and are then reemployed by the City in accordance with the provisions of Section 2-437 of the Hartford Municipal Code, will be granted pension service credit for that period of service without having to make any employee contributions for the period of that service. This service will then be included in Aggregate and Credited Service on the same basis as other City Service actually spent working for the City.

*There are limits on the amount of time during which you can exercise your rights under USERRA. The amount of time depends on the on the length of your USERRA service. If you leave City service to serve in any of the uniformed services, you should contact the Pension Administration Unit immediately upon your return to determine your rights and obligations to obtain Pension Service credit for that service.*

### ***Sick Exchange:***

Basic Sick Exchange: Your union contract, the Municipal Code and Charter, as amended, require the exchange of up to 80 days of accumulated sick time for additional pension service credits, with the following conditions:

- ❑ Additional pension service will be purchased in units of 20 days, with each unit equal to one (1) whole year of additional pension service. Partial units cannot be exchanged. If you do not have enough accumulated sick time to exchange for at least one year of pension credit, no exchange will be required or permitted.

- ❑ No exchange will be required, or permitted, if the additional service attributable to the exchanged sick time, when added to your other Credited Service, would produce a benefit that exceeds 80% of your Final Average Pay (refer to the Benefits section of this Summary for details and exceptions).
- ❑ Sick time exchanged for pension credit will not be used to establish eligibility for early or normal retirement. Once the eligibility requirements are otherwise met, the exchanged service will be used in the calculation of your pension benefit.
- ❑ Any accumulated sick time that cannot be exchanged for pension credit, will be paid to you in accordance with the City personnel and pay policies.

Additional Sick Exchange: If you were hired before July 1, 2003, you may be eligible to exchange up to an additional 40 days of accrued sick time. If you are eligible for this additional exchange, you are required to use it.

- ❑ You are eligible to exchange additional accrued sick time if your regular pension including Basic Sick Exchange results in a pension benefit percentage of at least 80%.
- ❑ Additional pension service will be purchased in units of 4 days, with each unit equal to two-tenths (2/10) of a whole year of additional pension service. If you do not have enough accumulated sick time to exchange for at least two-tenths of a year of pension credit, no exchange will be permitted.
- ❑ Employees hired on or after July 1, 2003 are not eligible for the additional sick exchange.



**Member Contributions**

The MERF is a contributory defined benefit plan. Both the City and Plan Members share in the cost of the Plan. This section explains the contributions that are required for Members in your employment classification.

**Amount**

As a Plan Member, you are required to make contributions to the Plan equal to eight percent (8%) of your pension eligible earnings.

These contributions are currently made on a pre-tax basis. They will be deducted from your earnings before any income taxes are paid on them. You will not have to pay any taxes on these contributions until you withdraw them or retire.

**Interest**

No interest is credited to employee pension contributions.

**Transfers Between  
Different Unions or  
Employment Groups**

Different employee groups and unions have different contribution levels. Generally when you transfer from one group to another, your level of contribution will be adjusted to the amount required by your new group or union from the day you become a member of the new group. Any contributions you have already made will remain in the MERF and be automatically transferred to your new group.

There are two exceptions to this:

- ❑ If you transfer into the uniformed services (Police or Fire unions) you will be required to pay the difference between the uniformed services contribution level and what you were contributing before you became a member of the uniformed services.
- ❑ If you transfer into HMEA from any employment group, and your initial date of hire (or adjusted hire date, if a rehire and you do not have a Break in Service) is prior to July 1, 2003, you will be required to pay the difference between the HMEA 7.8% contribution rate and the rate you previously paid if the previous rate is lower, retroactive to January 1, 2004.

Please note that if the contribution rate for your new group is lower than for your prior group, all of your contributions remain in the MERF. There are no refunds paid as the result of a transfer.

### **Withdrawals and Refunds**

You are not allowed to withdraw or receive a refund of your pension contributions while you are employed by the City and making contributions to the MERF.

When you retire, your pension contributions will be used to help pay for your pension. The contributions must remain with the MERF in order for you to receive a pension.

If your employment terminates before you are eligible to retire, you may be eligible for a refund of the contributions you made to the MERF.

Please refer to the section of this Summary describing Termination Benefits for additional information about contribution refunds.

**Eligibility**

The MERF provides different types of benefits, each with its own eligibility rules. This section explains the rules that apply to the different benefit categories.

**Vesting**

After the completion of five (5) years of Continuous Service, any benefits you have earned in the MERF become non-forfeitable. This means that if you leave City employment before meeting the requirements for retirement, any benefits you have earned up to the time you leave cannot be taken away from you. In order to collect these benefits you will have to leave your contributions with the MERF and meet certain other requirements, which are described below.

**Normal Retirement**

You will be eligible for Normal Retirement once you have completed at least twenty (20) years of Continuous Service. There is no age requirement.

**Early Retirement**

You will be eligible for Early Retirement if you are at least age fifty (50) and have at least five (5) years of Continuous Service.

**Effective Date of Retirement**

This is generally the day following your “Last Day Paid.” It is the date on which your retirement becomes effective and is the first day for which you will receive a pension.

The “Last Day Paid” is described in the section of this *Summary* called *Benefits in General*.

**Benefits in General**

The amount of your benefit from the MERF is determined by a formula, which is based on a combination of your years of service, earnings and age.

The benefits you receive from the MERF are in addition to benefits you may receive from Social Security or other sources (unless noted otherwise in the descriptions below).

Benefits are payable, depending on your eligibility, at termination of employment, normal or early retirement, disability or death.

Here are some further definitions to help you understand how the Plan benefits are calculated.

**Pension Earnings**

Pension Earnings include all of the regular, holiday, vacation and leave pay that you receive while working, as well as any payment for your accrued but unpaid vacation, holiday and regular leave that you receive upon your separation from City employment.

In order for earnings to be included as Pension Earnings, you must make pension contributions on such earnings.

**Final Average Pay**

Your Final Average Pay is what is used to determine your pension. It includes:

- ❑ your weekly rate of pay immediately preceding the start of retirement, multiplied by 52, plus
- ❑ if you are an employee who regularly performs fire fighting duties and receives an additional 12 hours pay for each holiday, your Final Average Pay includes the total amount of holiday pay (12 hours multiplied by 12 holidays multiplied by your hourly rate of pay).

Your weekly rate of pay is your normal total gross weekly pay including college incentive pay (Article 3, Section 3.16 of your contract) and the additional compensation provided in Article 4, Section 4.2c of your

contract. Weekly pay does not include PJ earnings, overtime earnings, standby pay or the additional compensation provided to Deputy Chiefs assigned as shift commanders.

If you experience a reduction in rank, your weekly rate of pay for pension purposes will be based on the weekly rate of pay that you would have received at the highest growth step of the highest rank you held within two years prior to retirement.

**Service**

The service used in your pension calculation includes all of your Credited Service.

**Last Day Paid**

The City Personnel Department provides the Pension Unit with a copy of your Separation Form B, which includes your final date of service, taking into account your accrued but unused vacation, holidays, earned time and regular leave days. This final date of service is called the “Last Day Paid” and is the last day for which you will receive Credited Service.

**Maximum Benefits**

Section 415 of the Internal Revenue Code of 1986, as amended, sets limits on the maximum amount of benefits that can be paid from qualified plans such as the MERF. If your total benefit exceeds these limits, your benefit from the MERF will be limited to what is allowed under the Code. Any excess portion of your benefit will be paid from a special Section 415 Excess Plan funded by the City’s General Fund.

## **Termination Benefits**

### **Non-Vested Benefits**

If you are not vested when you leave City employment, you may request a refund of your contributions and any interest that may be in your account.

Normally, once the Pension Administration Unit receives notice of your termination from the City, a letter will be sent to you explaining your refund options. Basically, you can elect one or more of the following options:

- ☐ Withdraw all your after-tax contributions plus interest, if any, in a lump sum,
- ☐ Withdraw all of your pre-tax contributions plus interest, if any, in a lump sum,
- ☐ Roll all of your pre-tax contributions and all of your interest, if any, to another eligible employer plan or IRA,
- ☐ Withdraw a portion of your pre-tax contributions and interest, if any, and roll over the balance to another employer plan or IRA.

Under the terms of the Municipal Code and Charter, your withdrawal or rollover request must be made within ten (10) years of your termination date or your contributions will be forfeited.

### **Vested Benefits**

If you are vested when your employment with the City terminates, and you are not eligible to begin receiving your pension immediately, or under the Special Retirement provisions, you have the option of either:

- ☐ Leaving your contributions in the Plan and receiving a vested benefit once you qualify for retirement; or
- ☐ Requesting a refund of your pension contributions, and forfeiting your right to any future benefits from the Plan.

If you elect to leave your contributions in the Plan and vest your benefit rights, you will be eligible to receive what is called a vested benefit once you meet the date you would have become eligible to receive a normal retirement or reach age 50 to receive a reduced benefit.

For purposes of determining your Normal Retirement Date for vested benefits, your actual Continuous Service is calculated at

the time your employment ends. To this is added the additional Continuous Service you would need in order to have 20 years of Continuous Service had you remained employed. For example:

If your employment ends on June 30, 2004 and you have 15 years of actual Continuous Service you would have to wait until June 30, 2009 in order to collect your full, unreduced vested benefit (you would have to wait 5 years after you left City employment before your actual service plus the waiting period equaled the 20 years needed in order to collect the benefit).

In this example, if you reached your 50<sup>th</sup> birthday on May 15, 2006, you could request an immediate payment of your vested benefit, but it would be reduced for each year and fraction that May 15, 2006 preceded June 30, 2009 (3 years and 1 full month

The vested benefit is calculated according to the type of retirement (i.e. Normal or Early) for which you apply, based on your years of Credited Service. Refer to the sections on Early and Normal Retirement Benefits for details of the calculation.

## Retirement Benefits

### Normal Retirement Benefit

If your first day of employment with the City was before July 1, 2003 and you retire on or after July 1, 2004:

Your Normal Retirement Benefit is equal to the sum of (1) plus (2) plus (3) below:

1. A basic service benefit:

- ❑ 2.8% of your Final Average Pay for each **whole** year of Continuous Service for the first twenty five (25) years, plus
- ❑ 2.0% of your Final Average Pay for each **whole** year of Credited Service thereafter.

NOTE: Continuous Service for purposes of the above pension formula *excludes* purchased Military Service and Sick Exchange, but does include other types of purchased service.

2. If you have purchased Military Service:

- ❑ 2.50% for each whole year and fraction of purchased Military Service

NOTE: If you have fractional years of purchased Military Service, the fractional years may be added to any fractional years of Credited Service, to the extent the result is a whole year of service.

For example, if you have 3 years and 4 months of purchased Military Service and 26 years and 8 months of Credited Service, your benefit would be calculated as follows:

25 years of Continuous Service x 2.80%, plus  
1 year and 8 months of Credited Service x 2.00%,  
plus  
3 years and 4 months of Military Service x 2.50%

This would result in a total of 30 whole years of eligible service for pension purposes.

In the same example, if you had only 3 years and 2



months of Military Service, your benefit would be calculated as follows, with a total of 29 years of eligible pension service:

25 years of Continuous Service x 2.80%, plus  
1 year of Credited Service x 2.00%, plus  
3 years of Military Service x 2.50%

3. If you have any Sick Exchange:

- ❑ 2.50% for each unit of Basic Sick Exchange, plus
- ❑ 0.50% for each unit (each 4 days) of Additional Sick Exchange (please note that you are not eligible for Additional Sick Exchange unless your basic benefit plus Military Service plus Basic Sick Exchange is at least 80%).

Maximum benefit:

- ❑ the maximum percentage allowed is eighty percent (80%) of Final Average Pay including purchased service including Basic Sick Exchange. If the total percentage prior to the inclusion of any Additional Sick Exchange is at least 80%, the maximum can be increased to 85% with the inclusion of Additional Sick Exchange. The percentage cannot be increased above 80% *unless* some form of Sick Exchange is used.

If your first day of employment with the City was on or after July 1, 2003:

Your Normal Retirement Benefit is equal to the sum of (1) plus (2) plus (3) below:

1. A basic service benefit:

- ❑ 2.5% of your Final Average Pay for each *whole* year of Continuous Service for the first twenty (20) years, plus
- ❑ 2.0% of your Final Average Pay for the twenty-first (21<sup>st</sup>) through thirty-fifth (35th) *whole* years of Credited Service

NOTE: Credited Service for purposes of the above pension formula *excludes* purchased Military Service

and Sick Exchange, but does include other types of purchased service.

2. If you have purchased Military Service:

- ❑ 2.50% for each whole year and fraction of purchased Military Service

NOTE: If you have fractional years of purchased Military Service, the fractional years may be added to any fractional years of Credited Service, to the extent the result is a whole year of service.

For example, if you have 3 years and 4 months of purchased Military Service and 22 years and 8 months of Credited Service, your benefit would be calculated as follows:

20 years of Continuous Service x 2.50%, plus  
2 years and 8 months of Credited Service x 2.00%,  
plus  
3 years and 4 months of Military Service x 2.50%

This would result in a total of 26 whole years of eligible service for pension purposes.

In the same example, if you had only 3 years and 2 months of Military Service, your benefit would be calculated as follows, with a total of 25 years of eligible pension service:

20 years of Continuous Service x 2.50%, plus  
2 years of Credited Service x 2.00%, plus  
3 years of Military Service x 2.50%

4. If you have any Sick Exchange:

- ❑ 2.50% for each unit of Basic Sick Exchange

Maximum benefit:

- ❑ the maximum percentage allowed is eighty percent (80%) of Final Average Pay including purchased service and Basic Sick Exchange.

**Early Retirement Benefit**

The Early Retirement Benefit is equal to your choice of one of the following benefits:

- ❑ The reduced retirement allowance as determined by the Pension Commission that is actuarially equivalent to the retirement allowance you would have received if you left your contributions in the fund until the date you would become eligible for a normal retirement allowance.
- ❑ The retirement allowance equal to the amount of retirement benefit you would have received if you left your contributions in the fund until the date you would have first become eligible for a normal retirement benefit reduced by two percent (2%) for each whole year by which your retirement date falls short of your normal retirement date.

**Disability Benefits**

The Plan may provide benefits in the event you become disabled while you are an active City employee. Certain service and other requirements must be met in order to qualify for these benefits.

**General Information**

You must apply for disability pension benefits within one (1) year of the time you are disabled (i.e. generally within one (1) year of the date your doctor tells you, or it otherwise is apparent, that you will no longer be able to perform the duties of your current job because of your medical condition).

Disability Benefits are payable as monthly allowances until the *earlier of*:

- ☐ the last day of the month in which you die, or
- ☐ the date when you are determined to no longer be disabled based on the definition of disability as it applies to the type of disability allowance you are awarded

Subject to approval by the Pension Commission, anyone who elects to receive a Disability Benefit may subsequently qualify for either a Normal or Early Retirement Benefit in lieu of a Disability Benefit, if he or she is otherwise eligible to receive such a benefit.

If you are awarded a disability pension, you must file a statement of earnings with the Pension Commission each year. Failure to provide this statement will result in a suspension of your disability benefits until the statement is received. The City Charter and the Municipal Code require this.

If you die while you are receiving a Disability Benefit, a survivor benefit may be payable to your spouse and your dependent children. Your spouse must qualify as a “surviving spouse” under the Plan, and your dependent children must qualify as “dependent children”. There is additional information on survivor’s benefits in the Death Benefits section.

## **Calculating Disability Benefits**

There are four (4) different types of disability benefits. Each disability benefit is applicable to a specific type of disability, as described below. Regardless of the type of disability, all disability benefits are based on a combination of service, earnings and benefits you may receive from other sources such as Workers' Compensation. In each case, certain minimum and maximum benefits also apply.

The following definitions should assist you in understanding how disability benefits are calculated:

## **Disability Definitions**

### ***Basic Disability Benefit***

This amount is the starting point for the disability benefit calculation. The benefit is calculated according to a formula that applies to the type of disability benefit for which you are eligible.

### ***Current Rate of Pay***

This is the weekly rate of pay as of any given date as set forth in Appendix A of your contract for an active firefighter who is in the same class that you were in at the time of your disability retirement.

### ***Disability Annual Pay***

Your Disability Annual Pay is what is used to determine your disability pension. It includes:

- ❑ your weekly rate of pay immediately preceding the start of retirement, multiplied by 52, plus
- ❑ if you are an employee who regularly performs fire fighting duties and receives an additional 12 hours pay for each holiday, your Final Average Pay includes the total amount of holiday pay (12 hours multiplied by 12 holidays multiplied by your hourly rate of pay).

Your weekly rate of pay is your normal total gross weekly pay including college incentive pay (Article 3, Section 3.16 of your contract) and the additional compensation provided in Article 4, Section 4.2c of your contract. Weekly pay does not include PJ earnings, overtime earnings, standby pay or the additional compensation provided to Deputy Chiefs assigned as shift commanders.

If you experience a reduction in rank, your weekly rate of pay for pension purposes will be based on the weekly rate of pay that you would have received at the highest growth step of the highest rank you held within two years prior to retirement.

***Disability  
Normal  
Retirement  
Benefit***

A benefit calculated in the same way as a Normal Retirement Benefit, based on the service accrued through your disability retirement date and your Disability Final Average Pay on the day immediately preceding your disability retirement date.

***Disability Final  
Average Pay***

This is defined the same way as the Final Average Pay used for the calculation of the Normal Retirement Benefit discussed earlier.

***Maximum  
Benefit***

Some types of disability benefit have a separate Maximum Benefit. The Maximum Benefit is the largest benefit you can receive as a disability allowance.

***Minimum  
Benefit:***

Some types of disability benefit have a separate Minimum Benefit. The Minimum Benefit is the smallest benefit you can receive as a disability allowance.

***Weekly Workers'  
Compensation  
Benefits***

This is the weekly benefit you receive from Worker's Compensation that represents an income replacement payment (sometimes referred to as a weekly indemnity payment). It does not include payments you receive toward medical or legal expenses.

## Types of Disability Benefits

### **Permanent and Total – Service Connected**

**Eligibility:** There is no age or service requirement to qualify for this benefit. You must, however, be permanently and totally unable to engage in any type of gainful employment. Your disability also must be work-related as defined in the Workers' Compensation Act.

**Basic Disability Benefit:** Your benefit is equal to the 100% of your Disability Annual Pay less any weekly benefits you receive under Workers' Compensation Act.

### **Permanent and Total – Non-Service Connected**

**Eligibility:** There is no age requirement to qualify for this benefit, however you must have at least five (5) years of Continuous Service. You must be permanently and totally unable to engage in any type of gainful employment.

**Basic Disability Benefit:** Your benefit is equal to your Disability Normal Retirement Benefit (as defined above).

**Minimum Benefit:** The minimum benefit for this type of disability is equal to 25% of your Disability Annual Pay.

### **Permanent Partial – Service Connected**

**Eligibility:** There is no age or service requirement to qualify for this benefit. You must, however, meet all of the following requirements:

- a) You must be permanently disabled,
- b) Your disability must prevent you from performing the full duties of your class but does not necessarily have to prevent you from engaging in other gainful employment.
- c) Your disability must be work-related as defined in the Workers' Compensation Act.

**Basic Disability Benefit:** This is called a "Special Disability Allowance" and your benefit is equal to one of the following:

- If you have less than fifteen (15) years of continuous service, your benefit will be equal to (a) minus (b) below:

- a. The benefit that you would have received had you completed twenty (20) years of continuous service and qualified for a Normal Retirement Benefit
- b. Any income from gainful employment, which together with the “Special Disability” allowance, exceeds 100% of your Current Rate of Pay.

*Workers’ Compensation payments or benefits do not count as income from gainful employment in this case. Neither do pension payments or interest and dividends.*

- If you have at least fifteen (15) years of Continuous Service but less than twenty (20) years of Continuous Service, your benefit will be equal to:

The benefit that you would have received had you completed twenty (20) years of continuous service and qualified for a Normal Retirement Benefit

*There are no reductions due to any income you may earn from gainful employment.*

- If you have twenty (20) or more years of Continuous Service, your benefit will be equal to:

The benefit that you would have received had you qualified for and requested a Normal Retirement Benefit

*There are no reductions due to any income you may earn from gainful employment.*



**Permanent Partial  
– Non-Service  
Connected**

**Eligibility:** There is no age requirement to qualify for this benefit. You must, however meet all of the following requirements:

- ❑ You must be permanently disabled, and
- ❑ Your disability must prevent you from performing the full duties of your class but does not necessarily have to prevent you from engaging in other gainful employment.
- ❑ You must have at least ten (10) years of Continuous Service.

*If you have less than fifteen (15) years of Continuous Service:*

**Basic Disability Benefit:** Your benefit will be equal to (a) minus (b) below:

- a. Your Disability Normal Retirement Benefit (as defined above)
- b. The same benefit percent as used in the calculation of your Disability Normal Retirement Benefit multiplied by the excess of any earnings you receive from gainful employment over what a Social Security beneficiary is allowed to earn without having his or her Social Security Benefit reduced.

*Workers' Compensation payments or benefits do not count as income from gainful employment in this case. Neither do pension payments or interest and dividends.*

**Minimum Benefit:** The minimum benefit for this type of disability is equal to (a) minus (b) below:

- a. 25% of your Disability Annual Pay.
- b. The same benefit percent as used in the calculation of your Disability Normal Retirement Benefit multiplied by the excess of any earnings you receive from gainful employment over what a Social Security beneficiary is allowed to earn without having his or

her Social Security Benefit reduced.

*Workers' Compensation payments or benefits do not count as income from gainful employment in this case. Neither do pension payments or interest and dividends.*

*If you have fifteen (15) or more years of Continuous Service:*

**Basic Disability Benefit:** Your benefit will be equal to your Disability Normal Retirement Benefit (as defined above). There is no reduction for any income you may have from gainful employment.

**Minimum Benefit:** The minimum benefit for this type of disability is equal to 25% of your Disability Annual Pay. There is no reduction for any income you may have from gainful employment.

<b>Death Benefits</b>	The Plan provides benefits in the event you should die while you are an active City employee, have vested rights to a pension or are receiving a pension from the MERF.
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## Definitions

### ***Survivor Annual Pay***

Survivor Annual Pay is what is used to determine the pension payable to your qualified survivors. It includes:

- ❑ your weekly rate of pay immediately preceding the start of retirement, multiplied by 52, plus
- ❑ if you are an employee who regularly performs fire fighting duties and receives an additional 12 hours pay for each holiday, your Final Average Pay includes the total amount of holiday pay (12 hours multiplied by 12 holidays multiplied by your hourly rate of pay).

Your weekly rate of pay is your normal total gross weekly pay including college incentive pay (Article 3, Section 3.16 of your contract) and the additional compensation provided in Article 4, Section 4.2c of your contract. Weekly pay does not include PJ earnings, overtime earnings, standby pay or the additional compensation provided to Deputy Chiefs assigned as shift commanders.

If you experience a reduction in rank, your weekly rate of pay for pension purposes will be based on the weekly rate of pay that you would have received at the highest growth step of the highest rank you held within two years prior to retirement.

### ***Surviving Spouse***

A spouse who

- ❑ was or is married to the Member at the time employment ceases
- ❑ is married to the Member at the time of his or her death, and
- ❑ survives the Member.

***Qualified  
Dependent  
Children*** Any unmarried child under the age of eighteen (18), or over the age of eighteen (18) if physically or mentally incapacitated from engaging in gainful employment. Medical documentation must be provided to support the incapacitation.

**Benefits**

**Where the cause of death does not arise out of and in the course of your employment:**

***If you have a Surviving Spouse:*** Your spouse will receive a survivor's allowance equal to twenty five percent (25%) of your earnings during your last twelve (12) months of employment, at full salary, or fifty percent (50%) of your retirement allowance, whichever is greater, payable monthly, until the surviving spouse's death or remarriage.

***If you have qualified dependent children:*** The first such child shall receive a monthly survivor's allowance of one hundred dollars (\$100.00). Each additional qualified dependent child shall receive a monthly survivor's allowance of fifty dollars (\$50.00). Payments will continue until the month in which the child reaches age 18 or, if the child is incapacitated, until death.

***Maximum Survivor Benefits:*** The total annual payments for your surviving spouse and children cannot exceed 100% of your Survivor Annual Pay at the time of your death or retirement.

***If you do not have a qualifying spouse or qualified dependent children:*** Your designated beneficiaries will receive a refund of the contributions you made to the MERF less any pension payments that were paid to you prior to your death.

**Where the cause of death occurs from a cause arising out of and in the course of your employment: (as defined in the Workers' Compensation Act)**

***If you have a Surviving Spouse:*** Your spouse will receive a survivor's allowance equal to fifty percent (50%) of your Survivor Annual Pay at the time of your death, payable monthly, until the earlier of when he or she dies or remarries.

***If you have qualified dependent children:*** Each of your qualified dependent children will receive a survivor's allowance equal to ten percent (10%) of your Survivor Annual Pay (increased to 15% if

there is no surviving spouse).

Survivor allowances are paid to your surviving spouse if the children are in the spouse's care, otherwise they are paid to the child's guardian.

*Maximum Benefits:* The total annual survivor allowances for your surviving spouse and qualified dependent children are limited to a maximum of seventy five percent (75%) of your Survivor Annual Pay. In addition the total annual survivor allowances plus Worker's Compensation payments, if any, cannot exceed one hundred percent (100%) of your Final Average Pay at the time of your death.

***If you do not have a qualifying spouse or qualified dependent children:*** Your designated beneficiaries will receive a refund of the contributions you made to the MERF less any pension payments that were paid to you prior to your death.